

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 10/28/2014	(3) CONTACT/PHONE James Caruso, Senior Planner / 805-781-5702	
(4) SUBJECT Request to approve a resolution establishing an Approved Water Conservation Program for new irrigated agriculture in the Paso Robles Groundwater Basin, implementing a portion of Ordinance 3246, an urgency ordinance covering new development and new irrigated agriculture overlying the Paso Robles Groundwater Basin; California Environmental Quality Act (CEQA) Exemptions Sections 15301, 15307, 15308. Districts 1 and 5.			
(5) RECOMMENDED ACTION It is recommended that the Board approve the attached resolution approving a Water Conservation Program for new irrigated agriculture in order to grant offset clearance under ordinance No. 3246.			
(6) FUNDING SOURCE(S) San Luis Obispo County Flood Control District reserves	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input checked="" type="checkbox"/> Board Business (Time Est. <u>150 min</u>)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>8/27/13, 1/14/14, 7/8/14</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) District 1 District 5			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / James Caruso, Senior Planner

DATE: 10/28/2014

SUBJECT: Request to approve a resolution establishing an Approved Water Conservation Program for new irrigated agriculture in the Paso Robles Groundwater Basin, implementing a portion of Ordinance 3246, an urgency ordinance covering new development and new irrigated agriculture overlying the Paso Robles Groundwater Basin; California Environmental Quality Act (CEQA) Exemptions Sections 15301, 15307, 15308. Districts 1 and 5.

RECOMMENDATION

It is recommended that the Board approve the attached resolution approving a Water Conservation Program for new irrigated agriculture in order to grant offset clearance under ordinance No. 3246.

DISCUSSION

Background

On August 27, 2013, your Board adopted Urgency Ordinance 3246 to establish a moratorium on new or expanded irrigated crop production, conversion of dry farm or grazing land to new or expanded irrigated crop production, and new development dependent upon a well in the Paso Robles Groundwater Basin (Basin) unless such uses offset their total projected water use by a ratio of 1:1. The ordinance applies to all properties located within the unincorporated areas of San Luis Obispo County that overlie the Paso Robles Groundwater Basin except those properties that overlie the Atascadero Sub-Basin, and properties served by County Service Area 16 and the San Miguel Community Services District. The ordinance was extended for a full two years on October 8, 2013 (Ordinance 3247) and will expire on August 26, 2015.

The Agricultural Water Offset Program has been developed by the Upper Salinas-Las Tablas Resource Conservation District (RCD) under contract to the County. The RCD assembled a team of professionals to develop the program. The team included a hydrogeologist, a hydrologic engineer, an agriculture manager, UC Cooperative Extension, Natural Resources Conservation Service conservationist, a biologist, and the Cal Poly Irrigation Institute staff. The program seeks to "offset" new water use due to crop conversions, new irrigated agriculture, increased crop density, and the outdoor use component of rural groundwater use not covered by the new development water offset program already in operation.

The Program's major steps include:

1. Determine water amount currently used. This is accomplished by multiplying the crop acreage by the water demand per acre for that crop. The Program uses the crop water use factor developed in the San Luis Obispo County Master Water Report, 2012 (MWR)¹. Water usage by crop type from the MWR is shown in the following table:

¹ The MWR was the latest and best information available when the program was in development. New data can be incorporated into the program as it is available.

Table 1

Crop Group	Applied Water (acre-feet /acre/year)
Alfalfa	4.5
Citrus	2.3
Deciduous	3.5
Strawberries	2.3*
Nursery	2.5
Pasture	4.8
Small grain	1.7*
Vegetables	1.9
Vineyard	1.7

* Information obtained from Current Cost and Return Studies, UC Cooperative Extension, UC Davis (Small grains 2013 data, Strawberries 2011 data)

- Determine acreage and water use of new crop. This is done in a similar manner to step 1. The same water use factors from the MWR are used in this step.
- Evaluate drawdown impacts on neighboring irrigation and domestic wells to demonstrate that new groundwater pumping will not have the effect of lowering wells levels in the area of the new pumping. This step is accomplished using a calculation based on well drawdown, hydrogeology, and transmissivity ² characteristics of the basin in the area of the new pumping.
- Issue Offset Clearance and conduct third party monitoring. An Offset Clearance will be issued by the County when all the criteria of the Program are met by the applicant. As part of the Offset Clearance, deed covenants and any other property owner agreements will be recorded. An independent third party monitor will check and report on compliance with the Offset Clearance, including installation of a flow meter, meter reading and reporting of water use on a yearly basis.

Agricultural Water Offset Program Summary

In order to address the ongoing drought, lowering groundwater levels, and the implementation of the Urgency Ordinance, this Program will allow land owners to expand or establish new irrigated agriculture without using new groundwater supplies. These new projects must demonstrate, using the Program's procedures, that the new groundwater pumping will be offset by reduced pumping within a key groundwater basin area proximate to the new pumping (this is the "proximity analysis" explained below). At the conclusion of the process, the County issues an "Offset Clearance" authorizing the new groundwater demand.

To start the process, an application for an Offset Clearance must include certain information about the property that reduces pumping and the property that will increase pumping in the same amount. Projects that increase water use on properties can include increased density of plantings, irrigation modifications, and, in limited cases, certain operational changes.

An application for an Offset Clearance will first be categorized based on the locations of wells and planted areas. There are four categories of projects that are defined by the project components:

- Category I projects share the same well on the same property.
- Category II projects will use water from a different well on the same property.
- Category III projects will use a different well on an adjacent property.

² Transmissivity is a measure of the subsurface's ability to transmit groundwater horizontally through its entire saturated thickness and affects the potential yield of wells (Department of Water Resources).

4. Category IV projects will use a different well on non-adjacent property, but still within a certain prescribed distance from the former pumping site (proximity analysis).

To determine the appropriate amount of credits for each project, crop categories and water use values are determined based on available information. Currently, the Program uses the data from the 2012 County Master Water Report. These crop-specific water demand figures (see Table 1 above) will determine the amount of water used on both new acreage being planted and irrigated and acreage that was previously planted and irrigated.

The source of the offset water credit must be related to the same groundwater basin area as the new pumping source well as determined by either a well log or a report by a licensed hydrogeologist or geological professional (proximity analysis). This is an important Program consideration to ensure that there is a relationship between the new pumping affected area and the offset pumping area.

The applicant for the offset credit must show whether any neighboring wells will be impacted by the increased groundwater pumping on their property. The Program will calculate the allowable draw down of neighboring wells by the new pumping well. The new pumping must be shown to not draw down neighboring wells more than 15 feet for residential wells and 30 feet for irrigation wells. Site-specific information, if available, can be used in lieu of these baseline measurements. Special consideration is also given to areas that are transferring credits from areas in severe decline to those which are in non-severe areas. The Program does provide for limited ability to use criteria different from that laid out specifically by the Program.

Once all the criteria of the Program are met by the applicant, an Offset Clearance will be issued by the County. Deed covenants and any other property owner agreements will be recorded at the time the Offset Clearance is issued. An independent third party monitor will check and report on compliance with the Offset Clearance, including installation of a flow meter, meter reading and reporting of water use on a yearly basis. Any compliance issues will be handled pursuant to section 22.74.010 et. seq. of the County Code (Enforcement). If, at a future time, the Basin is certified at a Level of Severity I or better by the Board of Supervisors through the Resource Management System, all restrictions per the Program will be lifted.

All properties included in an Offset Clearance application for either crediting wells or receiving wells will include a deed covenant recorded against the property, whether or not the properties are owned by the same entity or person. The deed restriction will be recorded for the properties with new pumping and former pumping. The deed restriction will identify the site and the Program's requirements and will run with the land through future ownerships.

A notarized signed copy of the agreement for transfer of offset credits between participating private landowners will be submitted to the County. The County will ensure that participating landowners list the credit amount and agree to supply the credits in perpetuity, or until the basin reaches a LOS I or better. Agreements will also acknowledge annual reporting requirements and grant access to well locations as applicable.

Program Implementation

The program will be implemented by department staff. Application forms, web-based calculators, and form letter templates have been developed by the RCD for use in program implementation. Fees are in development for the application phase covering department staff resources and for third party monitoring to be performed by the RCD.

Please see the full Program Final Report in Attachment 1 for details. The Final Program is attached to the resolution as Exhibit A.

OTHER AGENCY INVOLVEMENT/IMPACT

The department regularly coordinated with County Counsel and the Agriculture Commissioner's Office during the development of this Program. County Counsel has approved the resolution adopting the Program (Attachment 2) as to form and legal effect and will have continued involvement in the implementation of the Program through preparation of covenants.

FINANCIAL CONSIDERATIONS

Development of the Agricultural Water Offset Program has been funded by a \$158,609 contract with the RCD. The contract was approved on March 18, 2014 with funds from the San Luis Obispo County Flood Control District reserves. Fees will be paid by applicants to cover the staff costs of administering the Program, as well as costs of the independent third party monitor under contract to the County. After the Program has been in effect for a period of time, the department will evaluate potential staffing needs for continuing to implement the program.

RESULTS

Approval of this resolution will implement the portion of the Urgency Ordinance dealing with agricultural water offsets. Implementation of the adopted Urgency Ordinance is consistent with the countywide goals of a safe, livable, healthy and well governed community.

ATTACHMENTS

1. Attachment 1: Agricultural Water Offset Final Report
2. Attachment 2: Resolution Adopting the Program
3. Exhibit A: Program